

Central Intelligence Agency



Washington, D.C. 20505

## DIRECTORATE OF INTELLIGENCE

22 MARCH 1983

ZAMBIA: PRESIDENT KAUNDA'S VISIT [REDACTED]

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Summary

Zambian President Kaunda's visit to the United States at the end of March will be his first since May 1978, when he held lengthy talks with President Carter. We believe he will want to discuss southern African issues, particularly Namibia, and will seek additional US assistance for Zambia's troubled economy. He probably hopes to exchange views on other issues, including East-West relations and his country's dealings with the IMF. [REDACTED]

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Status of Relations

Zambian-US relations for the most part have been friendly since Zambia gained independence from Britain in 1964. They deteriorated temporarily in mid-1981, when Lusaka expelled two US diplomats and arrested a Foreign Ministry official on charges of spying for the United States. [REDACTED]

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Since then several exchanges of high-level delegations have been instrumental in restoring amicable relations. Members of Zambia's ruling United National Independence Party visited the United States in the fall of 1981. The delegation was headed by Reuben Kamanga, the party's top foreign affairs specialist, who will be accompanying Kaunda this month. According to US Embassy reporting, recent visits to Zambia by several US officials, including that of Vice President Bush last November, have been viewed by Lusaka as demonstrations of Washington's continued interest in Zambia and have helped to keep relations on an even keel. [REDACTED]

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This memorandum was written by [REDACTED] the Southern Africa Division of the Office of African and Latin American Analysis. It was requested by the National Security Council Staff. It has been coordinated with the National Intelligence Officer for Africa and the Directorate of Operations. Questions and comments are welcome and should be directed to the Chief, Southern Africa Division, ALA, [REDACTED]

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Southern African Issues

Namibia and other southern African questions almost certainly will top Kaunda's agenda when he visits Washington. Kaunda has made it publicly clear that he would like to see the West exert greater pressure on South Africa to break the impasse over Namibia. [redacted]

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He has argued that Namibian independence should not be linked to a withdrawal of Cuban troops from Angola. In explaining his stand on this issue, about which he feels strongly, Kaunda may assert that:

- The Cuban presence is essentially an internal Angolan matter.
- Angolan President dos Santos is in too weak a position vis-a-vis Marxist hardliners in his government to order the Cubans out.
- The departure of large numbers of Cubans would increase the threat Luanda faces from Jonas Savimbi's National Union for the Total Independence of Angola (UNITA). [redacted]

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We believe Kaunda is likely to express support for the recent direct talks between Angolan and South African officials in Cape Verde. He himself has met on two occasions with South African prime ministers--in 1975 and again last year--in an effort to resolve regional problems. [redacted]

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During his talks in Washington, Kaunda--who has developed a close relationship with Angola's dos Santos--may offer to assist Washington in trying to bring about an accommodation between Luanda and Pretoria on Namibia and related issues. We believe that he might not have the full backing of his African Frontline colleagues for such initiatives, however. In recent years, Kaunda's sometimes iconoclastic approach to southern African issues--particularly his willingness to hold high-level direct talks with Pretoria--has irritated some of the other Frontline leaders, especially Tanzanian President Nyerere, who serves as Frontline chairman. [redacted]

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Aside from Namibia, Kaunda probably will want to discuss overall US policy toward South Africa. We expect him to argue that Washington's policy of "constructive engagement" with South Africa is losing friends for the United States in black Africa and giving the Soviet Union an advantage it does not deserve. [redacted]

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In recent months, Kaunda has gone even further in public statements, charging that the West is applying a double standard on foreign policy issues to the Africans' disadvantage. He has chided Washington for organizing economic sanctions in response to the imposition of martial law in white-inhabited Poland while allegedly acquiescing in the political repression of South Africa's black majority. [REDACTED]

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Kaunda also is likely to discuss Pretoria's aggressive policies toward its neighbors. A variety of reporting indicates that he is deeply troubled by South African efforts to fuel instability in Angola, Mozambique, and elsewhere. He fears that the South Africans may seek to subvert his own regime in view of its support for South African insurgents and Prime Minister Botha's public declaration that Pretoria reserves the right to strike at "terrorist gathering points" wherever they are found. Although Kaunda's government has rebuffed efforts by the main South African insurgent movement, the African National Congress, to establish bases in Zambia, it has allowed the ANC to maintain its political headquarters in Lusaka. It has also provided modest logistic support to the ANC and to guerrillas of the South-West Africa People's Organization (SWAPO) operating in Namibia. [REDACTED]

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Notwithstanding Kaunda's profound displeasure with Pretoria's policies--a subject about which he often becomes highly emotional in public--Zambia and South Africa have significantly expanded economic ties in recent years. The majority of Zambia's exports, including nearly half of its copper production, move to international markets over rail links running to South African ports. Imports from South Africa also have been rising; Pretoria now ranks a close second behind Britain as Zambia's principal supplier of nonoil commodities. On several occasions in recent years, Zambia has been compelled to purchase South African corn because of poor domestic harvests. [REDACTED]

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Finally, we believe Kaunda may express concern that the current tribal conflict in neighboring Zimbabwe could complicate the relationship between the two countries. Although relations have improved in recent years, mutual suspicions persist because of Zambian backing for Prime Minister Mugabe's main political rival, Joshua Nkomo, during the Rhodesian war in the 1970s. [REDACTED]

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Kaunda's Economic Concerns

We expect that economic matters also will be high on Kaunda's agenda; his country is facing its worst economic situation since independence.\* He is likely to express appreciation for past US assistance and to ask that the United States continue to provide generous economic support and increase its investment in Zambia.\*\* [REDACTED]

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Kaunda does not realistically expect Washington to become Lusaka's economic "godfather"--a possibility he raised during Vice President Bush's visit. Nonetheless, he may have an exaggerated belief as to the amount of aid the United States is likely to provide next year. His expectations for US aid may be raised as a result of new economic aid the British are planning to announce when Kaunda visits the UK prior to his arrival in the US. We believe that Kaunda is probably hoping for a general US statement of willingness to provide substantial aid, and that he would probably be amenable to leaving discussions of specifics to lower-level officials. [REDACTED]

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We expect Kaunda to assert, as he has in the past, that Zambia's economic difficulties are due to factors beyond his government's control, such as low international copper prices, high costs of oil and other imports, and disruptions of transportation links because of fighting in neighboring countries. He will not, of course, admit that years of government mismanagement and a costly expansion of social services have seriously aggravated the country's problems. [REDACTED]

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To alleviate Zambia's economic difficulties, the government last year opened discussions with the International Monetary Fund on a one-year, \$225 million standby loan. A three-year extended fund facility worth around \$900 million that Zambia had arranged

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*\*\*Between 1976 and 1981, Washington provided Zambia with approximately \$153 million in loans and some \$15 million in grants. In the current fiscal year, the United States is providing about \$30 million in economic support funds and PL-480 food aid, and is a major contributor to multilateral programs benefiting Zambia. Although the Carter Administration offered to have Zambian military personnel join in the International Military Education and Training Program, the countries do not have a military assistance relationship.* [REDACTED]

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with the IMF in 1981 collapsed later that year after Lusaka failed to meet the Fund's economic performance criteria. Negotiations for the new loan are now at a critical stage, and Kaunda, who regards Washington as having strong influence with the IMF, may ask US officials to intervene on Zambia's behalf. [redacted]

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We believe Kaunda is likely to point to a number of steps his government has taken in recent months to improve economic performance and pave the way for a new agreement with the IMF.

- The government has announced a 1983 budget that calls for large cuts in public spending and substantial tax increases.
- It has devalued the Zambian currency, raised interest rates, decontrolled prices on many consumer goods, and imposed a ceiling on wage increases.
- It has been moving forward with a program to stimulate agricultural production, primarily by raising prices paid to producers of corn and other staples. [redacted]

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Kaunda may suggest--correctly, in our judgment--that additional austerity measures would increase the likelihood of domestic unrest, particularly among workers in the country's politically volatile copper-producing region. Further belt-tightening also could weaken support for the regime in presidential and legislative elections to be held late this year, perhaps costing some key Kaunda associates their seats in the country's parliament.\* Kaunda himself will run unopposed, but we believe he fears that he might not win a sufficiently massive mandate. [redacted]

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#### Zambia Between East and West

Another of Kaunda's objectives, in our view, will be to allay US fears about Zambian foreign policy, particularly his relations with Moscow and its allies. He will probably maintain that his acquisition of large-scale Soviet military assistance in recent years--beginning with his agreement in 1979 to purchase nearly \$200 million worth of sophisticated Soviet weapons--and

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\*Although Zambia is a one-party state, legislative elections are competitive. Local party officials select two or more candidates for each seat. [redacted]

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his acceptance of East German military [redacted] support have not compromised his nonaligned stance. He is likely to point out that he turned to Moscow for advanced arms only after the West had refused to provide them, and that Soviet Bloc involvement with Zambia's military [redacted] has not been translated into direct influence over Zambian domestic and foreign policies.\* [redacted]

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Zambia's willingness to deal with Communist states reflects Kaunda's often-expressed view that nonaligned nations should strive to enjoy good relations with both East and West and that they should accept aid from any quarter. But his insistence that he pursues a balanced foreign policy is only partly valid, in our view. His government has opposed Moscow's positions on Afghanistan and Kampuchea in international forums, but it has occasionally charged that the United States is primarily responsible for East-West tensions and has criticized Washington's general approach to North-South issues. In addition, Kaunda was among the African leaders who blamed the United States for the Africans' failure on two occasions last year to convene an Organization of African Unity summit in Libya. [redacted]

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Zambia's relations with Cuba have improved in recent years; they had declined in the mid-1970s after Havana intervened in the

\*See appendix for details of the Zambian-Soviet relationship and the constraints affecting it. [redacted]

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Angolan civil war against UNITA, which Zambia was then supporting. Since that time, Kaunda has publicly endorsed the Cuban presence in Angola, and he and President Castro have made common cause on a number of other Third World issues, including that of black majority rule in southern Africa.

While in Washington, Kaunda may assert that Zambia's warm ties with China, which built the 1,200-mile Tanzania-Zambia Railway and has sold Lusaka F-6 (MIG-19) fighter aircraft and other military hardware at cost, help to offset Soviet involvement. There are up to 300 Chinese economic technicians in Zambia. We believe he might also rationalize Lusaka's relationship with Pyongyang as an effort to diversify sources of security assistance; about 50 North Korean military personnel are now in Zambia helping to train a presidential security unit, according to US Embassy and other sources.

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## APPENDIX

Prospects for Zambian-Soviet Relations [REDACTED]

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Several factors could promote closer Zambian-Soviet ties in the future, in our judgment. Foremost among them is Zambia's commitment to majority rule in Namibia and South Africa. Continuing Frontline - South African tensions over these issues could enable the Soviets to exploit Kaunda's preoccupation with security. He would be likely to look to them for additional arms and advisory support, particularly if he cannot obtain such assistance from the West. [REDACTED]

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Contacts with Zambian military personnel stemming from Moscow's arms assistance program will provide the Soviets with opportunities to cultivate the next generation of Zambian military leaders. This, in turn, increases the possibility that in future years a largely Soviet-equipped and trained Zambian military may seek to overthrow the government and install a leftwing regime. [REDACTED]

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In addition, leftist-oriented officials within Kaunda's inner circle, including Secretary of State for Defense and Security A. Grey Zulu, will continue to urge Kaunda to adopt more doctrinaire socialist policies at home and to strengthen ties with Moscow and its allies. Zulu, who is regarded by many Zambians as second in authority only to the President, enjoys Kaunda's special confidence, according to US Embassy reporting. [REDACTED]

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Kaunda's receptivity to advice from Zulu and other leftist officials stems in large part from the President's own distrust of capitalism and preference for socialist solutions. He has propagated a pet philosophy, "Zambian humanism," which blends Christian, socialist, and traditional African values. [REDACTED]

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At the same time, a number of factors are working against the development of closer relations with Moscow. Not the least of these is the desire of most Zambian officials, including Kaunda, that the country control its own affairs. According to US Embassy reporting, many Western-educated Zambians inside and outside the government distrust the Soviets and would prefer to deal with them at arm's length. In addition, the USSR seems to have little support among the Zambian public. [REDACTED]

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Lusaka's displeasure with some aspects of the Soviet-Zambian military assistance relationship also could serve as a brake on closer ties. [REDACTED]

According to the US Embassy in Lusaka, Moscow may have even suspended deliveries of military equipment to Zambia earlier this year because of the Kaunda government's failure to meet its obligations. The Soviets thus far have refused to reschedule Zambia's military debt, which represents some 37 percent of the country's entire officially-held external debt. [REDACTED]

We believe that Moscow's failure to contribute significantly to Zambia's economic development, as well as Lusaka's continuing reliance on Western aid and markets for its mineral exports, also will limit future Soviet influence. In the past, Soviet economic assistance to Zambia has been scant compared with that of the West, representing less than 1 percent of the country's aid from all sources. [REDACTED]

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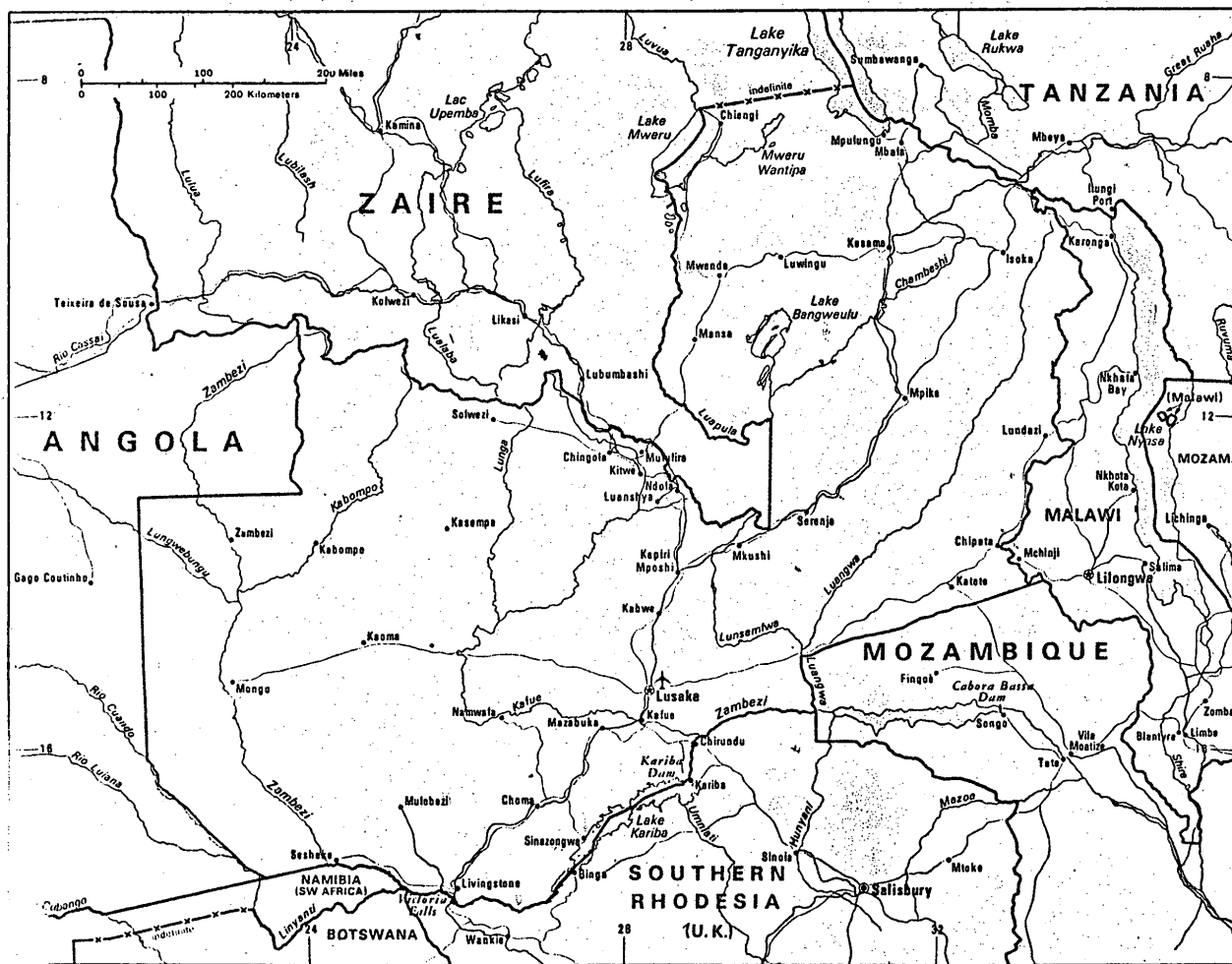
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# Zambia



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ZAMBIA FACT SHEET

CAPITAL:	Lusaka
PRESIDENT:	Kenneth Kaunda
POPULATION:	6 million (1981)
KEY ETHNIC GROUPS:	Bemba: 35% Nyanja: 17% Tonga: 15% Lozi: 9%
RELIGION:	Christian: 50 to 75% Muslim/Hindu: 1% Remainder are animists
AREA:	290,724 sq. mi (slightly larger than Texas)
GDP:	\$3.4 billion (1981)
PER CAPITA GDP:	\$560 (1981)

Background:

Zambia has been governed by President Kaunda since it became independent from Britain in 1964. It has had a one-party system since 1972.

Although there is no legal organized opposition, several groups are restive. Zambia's powerful trade unions periodically stage strikes over bread-and-butter issues. Businessmen and professionals complain about the government's socialist-oriented policies, inefficiency, and corruption. A further source of opposition is the country's largest ethnic group, the Bemba, whose members feel they have been excluded from a fair share of economic and political power.

A steady deterioration in economic conditions has contributed to the growing discontent. Many key commodities are in short supply, and unemployment and inflation are rising. Although depressed world prices for copper and cobalt--Zambia's main exports--and recurring drought have been major factors in the economic nosedive, government mismanagement has compounded the situation.

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Despite these difficulties, Kaunda still enjoys considerable personal popularity--as well as the support of the armed forces.

Kaunda views South Africa as Zambia's greatest external threat. He fears South African retaliation for Zambian support of anti-South African insurgent groups. Kaunda's security concerns led to his decision in 1979 to purchase over \$200 million of sophisticated Soviet arms. He remains distrustful of the Soviets, however, and tries to adhere to a nonaligned foreign policy.

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